



Employees' Retirement System Communicator

February 2013

No. 2

Contact Information

Employees' Retirement System

From the Milwaukee
area: **414-278-4207**
Toll Free: **877-652-6377**
Email: ers@milwcnty.com.

Life & Health Benefits

Phone: **414-278-4198**.
Email: bene-fits@milwcnty.com

Newly Retired Members

*Rachel Andreshak
Danaette Biddle
Nada Boushion
Shane Corcoran
Roxane Grahek
Jayne Helmer
Alexa Hollywood
Denise Jackson
Donald Jackson
Teayl Johnson
Juris Krisans
Angela Leonard
Mary Lindquist
Ronald Mason
Rodney Maybin
Katherine Miller
Anne Morris
Beatrice Murphy
Barbara Plumb*

From the Desk of the ERS Manager

Hello Milwaukee County Retirees,

The stretch between the holidays and spring can be difficult for many people. For those of us in Wisconsin, it means short days and mostly long, cold nights. I am excited that we are quickly approaching the end of another winter. The sun is shining brightly today which surely brightens my spirits and improves my mental well-being. It also starts me thinking about getting outdoors more.

If you find yourself with the "winter blues" try and get some sun and fresh air, watch a funny movie — laughing for a couple of minutes a day (and I'm talking a good belly-hurting laugh), is sure to improve your attitude and outlook. If you're one of those serious types who has difficulty laughing, go to a mirror and make yourself laugh. Watching your image forcing a laugh is almost guaranteed to set off a good laughing spell.

Vivian's article "New Credit Card 'Checkout Fee'", is a real eye-opener. Again, she provides information that can help us be better consumers and save money.

Please remember, you can contact ERS by email at ERS@milwcnty.com with questions or concerns. We monitor the site frequently throughout the day and respond as quickly as possible. We have both local (414-278-4207) and toll-free (877-652-6377) phone numbers. Both have an automated menu for your convenience.

Marian Ninneman
ERS Manager

New Credit Card "Checkout Fee"

By Vivian Aikin

Effective January 27, 2013, retailers in 40 states (including Wisconsin) can add up to a 4 percent surcharge when consumers pay for goods and services with MasterCard or Visa credit cards. The new fees stem from a multi-billion dollar preliminary settlement between credit card issuers and merchants and only apply to MasterCard and Visa credit cards. American Express, Discover and debit cards are excluded. States

Employees'
Retirement
System

Employees' Retirement System Communicator

February 2013

No. 2

that have laws prohibiting credit card surcharges are: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas.

Background

In 2005, a group of merchants claimed that MasterCard, Visa, and nine other companies (including Bank of America, JP Morgan Chase & co., HSBC Finance Corporation, Capital One Bank, Bank One Corporation and Wells Fargo Bank) conspired to fix the fees stores pay to accept credit card purchases. The merchants included grocery chains Kroger and Safeway, the Payless Shoes chain, and Rite Aid drugstores.

Although many customers are not aware of the practice, issuers of credit cards such as MasterCard and Visa charge merchants what are known as interchange fees for accepting purchases made with those cards. Interchange fees typically range from 1.5% to 3.0% of the total transaction amount. The companies that issue credit cards say that these fees are an important part of running card programs because they offset the risk of nonpayment or fraud by cardholders.

After years of negotiations, last July a preliminary settlement in the case was reached in the U. S. District Court for the Eastern District of New York. The credit card companies and banks agreed to a \$7.25 billion deal to settle the charges that they were fixing credit card processing fees. The Court will issue its final ruling later this year.

In the meantime, as part of the preliminary settlement, credit card issuers said they would reduce interchange fees but only until eight months after the agreement was reached. That window of time has come and gone. Now merchants and retailers legally have the right to charge customers using MasterCard and Visa the equivalent of the interchange fee (up to 4%) when they pay for their purchase, thus the term “checkout fee”.

How will the “checkout fee” work?

Merchants are required to notify customers of the “checkout fee” up front. They must disclose that you will pay more for using a credit card. This information is to be conspicuously posted either at the store entrance or at the point of sale. Merchants are also required to divulge the fee on the purchase receipt. When buying online, look for the “checkout fee” to be disclosed on the homepage of the business.

Reaction to the settlement

The “checkout fee” provision in the preliminary settlement has met with criticism from both consumers and merchants.

Consumer protection groups point out that merchants could actually “double dip” and charge customers twice. That’s because some retailers already factor interchange fees into their pricing. They argue that layering the “checkout fee” on top of the transaction price is unfair.

Employees' Retirement System Communicator

February 2013

No. 2

On the other hand, retailers have denounced the preliminary settlement claiming that it transferred the wrongdoings of credit card issuers to the consumer. Last November the National Retail Federation (“NRF”) and more than a dozen retailers asked a judge to reject the proposed settlement. In a brief submitted to a U.S. District Court judge in Brooklyn, the trade organization wrote that the new fees threaten a merchant’s ability to keep prices low for customers. The NRF also claims that raising consumer prices by adding a “checkout fee” is no remedy for what they see as continuing monopoly abuse by Visa and MasterCard.

What does the settlement mean for consumers?

Merchants now have the right to ask customers to pay a “checkout fee” if they use MasterCard or Visa. But that doesn’t mean it makes business sense for them to do so. There is clear potential for a backlash by customers who won’t take kindly to paying fees for what used to be free. Customer service is often the best way for retailers to differentiate themselves. Those that don’t charge a “checkout fee” will look more consumer-oriented.

In fact, many of the largest players in the retail industry have stated they will not impose the permitted fee on MasterCard or Visa purchases. Wal-Mart, Target, JCPenney, Gap Inc., Limited Brands, Home Depot, McDonald’s, The Neiman Marcus Group and Sears have all indicated they will not implement the “checkout fee”. The only retailers who might charge it are stores that offer something so unique that they face limited competition.

There are many other forms of payment for consumers to use to avoid a “checkout fee” should it be imposed. Cash is always an option. American Express, Discover, store credit cards, prepaid cards and debit cards are excluded from the “checkout fee”. When shopping online, PayPal is a choice. Remember that retailers prefer credit because studies show we tend to spend more when paying with credit (up to twice as much by some estimates).

2013 Pension Check Disbursement Schedule	
Thursday, January 31, 2013	Wednesday, July 31, 2013
Thursday, February 28, 2013	Friday, August 30, 2013
Friday, March 29, 2013	Monday, September 30, 2013
Tuesday, April 30, 2013	Thursday, October 31, 2013
Friday, May 31, 2013	Friday, November 29, 2013
Friday, June 28, 2013	Tuesday, December 31, 2013

Employees' Retirement System Communicator

February 2013

No. 2

Newly Retired Members (Cont'd)

*Stanley Poreba
Rosemari Potnek
James Radke
David Sorensen
Gwen Spangler*

*Suzanne Stoker
Richard Stover
Karen Washington*

In Memoriam

Please keep the families of these recently deceased retirees and spouses in your thoughts:

*Leona Anthony
Vivian Braatz
June Calkins
Mary Eliopul
Edell Engelman
Verna Falkner
Albert Friedman
John Gill
Lois Greeley
Joan Jass
Rita Lawler-Ulik
Joyce McKinney-Lewis*

*Laverne Montroy
Bernice Praefke
Reynaldo Renteria
Gloria Schoenherr
Mitzie Turck
Stephanie Walendowski
Nancy Wall
Phyllis Wallus
Charlotte Wells
Emma Wheatley
Russell Yeager*